



2003 Annual Report of the Environmental Finance Center Network

Region 1 - The University of Southern Maine

*The University of Southern Maine was
established in 2000 as the Region 1 New
England Environmental Finance Center*

Introduction

The EFC at the University of Southern Maine serves the six New England states (U.S. EPA Region 1). The purpose of the New England Environmental Finance Center (NE/EFC) is to further the joint goals of the U.S. EPA and the Muskie School of investigating, publishing, and extending creative approaches to environmental protection and management, especially respecting the associated “how-to-pay” questions. In particular, the Center works to advance the understanding and practice of “smart growth” throughout New England; in building local capacity to deal with related issues; and in developing and applying techniques that go “beyond compliance” with government regulations.

The NE/EFC at the University of Southern Maine, housed in the Muskie School of Public Service, has a primary focus on land use and conservation issues. The NE/EFC began its activities 2001 and since then has undertaken a broad range of initiatives in the intervening three years. Calendar year 2003 was a period of considerable activity in numerous areas.

Accomplishments

Projects

High-Risk Loan Funding Initiative

Among the findings of the New England Environmental Finance Center's 2002 work program was the need for loan and grant programs to stimulate smart growth projects by covering expenses of up-front design studies, impact analyses, and other pre-development expenses. In response, a NE/EFC project examined several development finance programs that already exist in New England; assessed their strengths and weaknesses in promoting smart growth; and suggested ways the New England states might adapt and expand them to more fully address the obstacles to smart growth. For a copy of the report from this project, go to: <http://efc.muskie.usm.maine.edu/Developer%20Incentives.htm>.

Trust, Collaboration, and Financial Return in Conservation-Development Partnerships

In early 2002 the NE/EFC hosted a series of roundtable discussions among municipal officials, residential developers, land trust representatives, and others about "*Innovative Approaches to Land Conservation and Smart Growth*." Among our conclusions was that for many of the over 20 conservation-development partnerships we discussed in the series, creation and maintenance of trust was essential to success or failure in various stages of smart growth development. This indicated a link between the creation of trust and the return on value for traditionally opposed project partners. To further examine this matter, we interviewed 11 roundtable participants and asked questions about key moments in the course of the project where the main financial benefits or losses were realized; and about specific behaviors (by them or others in the partnership) that led to creation or dissolution of trust. The report from the study describes 1) the roles of developers, land trust representatives, and municipal officials in the projects involved; 2) behaviors project partners felt were central to creation or dissolution of trust; and 3) particular financial benefits that were obtained in these partnerships, and should be attainable in other conservation-

development partnerships where trust is cultivated. The report is available at: http://efc.muskie.usm.maine.edu/Trust_and_Risk.htm.

Ecology and Design Course Module.

Through the Muskie School master's degree program in Community Planning and Development, staff of the NE/EFC created and delivered an upper-level college and graduate-level teaching module in fundamental principles of conservation biology and landscape ecology, and their role in sound local land use planning. The module is available in a format useable by universities, conservation organizations, and other interested parties; go to: http://efc.muskie.usm.maine.edu/Landscape_Ecology_for_Planners_files/frame.htm

Blaine House Conference on Natural Resources

In his 2003 budget address to the Legislature, Maine Governor John Baldacci promised to bring together local residents, industry representatives, conservationists, sportsmen and sportswomen, and recreational users, to address the needs of Maine's distressed natural resource-based industries. These industries are the economic foundation of Maine's rural communities, and their vitality is the state's strongest bulwark against sprawl and consumptive land use patterns.

In March 2003, Governor Baldacci convened a Natural Resource-based Business Summit of industry leaders to identify issues and concerns within each of the natural resource sectors. The summit sparked a dialogue. It became clear that these industries share common problems, such as declining access to the resource base, the lack of a sustainable view of development, and the need for credible and timely scientific information. The way to tackle these is to stop thinking of the fishing, farming, forestry, and tourism sectors as distinctly different, independent entities. Summit participants realized they needed a strategic analysis of their industries and a shared understanding of the problems that each faces.

Under chairmanship of NE/EFC Director Richard Barringer, eight months of planning and preparation led to a November 2003, "Blaine House Conference on Natural Resource-based Industries," with a focus on agriculture, aquaculture, fishing, forestry, and tourism and outdoor recreation. From July to September 2003, six background papers were produced, one for each sector and one on cross-cutting issues, each authored by an acknowledged expert in the field, in collaboration with the responsible state agencies. The papers examined economic trends, strengths, challenges, and opportunities of each sector. They were designed to challenge traditional ways of thinking, and to identify new ideas to position fishing,

aquaculture, farming, forestry, and tourism/recreation each as a long-term, sustainable natural resources-based industry. The papers also provided a starting point for extensive outreach and discussion with industry representatives.

The state's natural resource agencies then used the papers to engage their important constituencies, to test the assumptions set forth, and to prepare strategies for strengthening each of the sectors. Hundreds of business leaders, industry representatives, managers, environmental and trade associations, and others within these sectors offered their best thinking about how government and industry might work together to achieve shared goals. The dialogue led to a series of specific action recommendations that the agencies put forward for consideration by the Conference participants.

On November, 17, 2003, nearly 750 people from across the industry sectors met in Augusta, Maine. Participants considered specific proposals to enhance each industry sector, as well as an array of issues that spanned all five sectors. The dialogue sparked new ideas, modified proposals, and confirmed many of the new approaches presented. The Governor's goal – that from the conference might emerge a practical plan of action based upon new thinking, integrated policymaking, broad support, and active participation from Maine citizens who make their living within the natural resources sectors – was realized. The conference shaped 75 proposals to strengthen these businesses that are presented in a report available at: <http://efc.muskie.usm.maine.edu/docs/NaturalResourcesConferenceReport.pdf>

The EFC Director has been invited by the governor to chair a committee of state officials and inter-industry leaders to oversee implementation of the 75 recommendations by the State and private sector.

Land for Maine's Future Evaluation

In 2003 the NE/EFC led an effort to evaluate the State of Maine's "Land for Maine's Future" program (LMF), which had spent \$85 million in state bond proceeds for open space acquisition and protection. Within the constraints of available time and resources, the NE/EFC proposed the following tasks, to be completed by the close of 2003 in time for the convening of the Legislature in January 2004:

- That it undertake an external review of the LMF staff's own analysis of the LMF program, in terms of its deployment of resources and its progress since a 1997 Land Acquisition Priorities Advisory Committee report and the recommendations set forth therein;

- That it attend for information purposes several of the “constituency group outreach meetings” conducted by the LMF staff in Summer and Fall 2003;
- That it consult about the performance and impact of the LMF program with a dozen mutually-chosen expert individuals from various sectors and who have significant knowledge as users or observers of the program, and report on its findings;
- That it undertake case studies of not less than three mutually-chosen Maine communities, to examine the economic, social, and developmental impacts of LMF program use;
- That it scan and report on findings of academic and professional studies of the economic, social, and land management impacts of LMF and other comparable land conservation and purchase efforts; and, finally,
- That it provide an integrated report, including findings and recommendations, based upon its external review of the staff analysis, observations at the outreach meetings, expert consultations, literature review, and case studies.

What follows is that report:

The January 2004 report found the LMF program to be well-conceived, wisely administered, and widely supported. Participants and observers from across the state agreed that its mission and practices are solidly grounded; that it has avoided becoming politicized; and that it has evolved thoughtfully to respond to new understandings of the role of land conservation and economic development in Maine. The general perception is that LMF well and truly serves the people of Maine. In general, it was observed to be a fine example of a public *learning organization*: open and transparent in its processes; welcoming of public participation and input; careful and strategic in its investment of public monies to achieve the highest public values; and reflective and adaptive to changing circumstances and public needs.

The NE/EFC evaluation concludes that Maine land conservation especially under LMF is rightly to be viewed as a *basic infrastructure investment* in the future of Maine’s environment, economy, and cultural heritage. Like our rail and highway systems, it is a foundation upon which coming generations of Maine people will build their economy and culture, to reflect Maine values, needs, priorities, and diversity. To realize the greatest return on this investment, Maine people might best regard the LMF not as an end in itself, but as a tool or instrument of their larger, abiding purposes: sustainable economic development, environmental stewardship,

and community building. The NE/EFC observed that there continues to be urgent need for a state-funded land conservation effort in Maine, for which there is broad public support; that LMF both deserves and needs to continue its efforts for the foreseeable future; and that new funding is needed at this time, to continue this important effort. The LMF report is available at: <http://efc.muskie.usm.maine.edu/docs/LMFEvaluationreport.pdf>

Initiatives/Proposals

Next Communities Initiative

From model ordinances to financial instruments, a wide variety of smart growth tools are now available to local land use decision makers and stakeholders. The piece of smart growth that the Next Communities Initiative will address is the effective use and implementation of these tools at the local government level. The Initiative will train motivated community leaders to make smart growth-oriented development happen in their cities and towns. The first step in the Initiative is development of a workshop at which participants may come to understand that change toward more sustainable land use is both desirable and possible; to gain an understanding of the intricacies and subtleties of local government and politics; and to explore the obstacles to smart growth and how they may be overcome at the local level. The workshop will be more about shepherding smart growth through the democratic process than about the principles and tools of smart growth, themselves.

In fall 2004 the NE/EFC will conduct two pilot workshops in collaboration with partner organizations established through a competitive proposal process. One partner will be from the Northern New England states (Maine, New Hampshire, and Vermont), and the other, from the Southern New England states (Rhode Island, Connecticut, and Massachusetts).

In each pilot workshop there will be three day-long sessions:

Session One: Participants will come to understand “sprawl” not as a technical problem, but as (in Maine terms) a “wicked” problem – one that is ill- and variously-defined, features a lack of consensus on its causes, and lacks obvious solutions that don’t involve challenging trade-offs and fierce, value-based opposition. Participants will gain insights to become informed leaders in the discussion of sprawl, and advocates of solutions that seek a wider public good without undue injury to private interests and concerns. The intent is for participants to leave this session with a mind set that smart growth is an objective worthy of pursuit, and ready to explore how to navigate change through the local political system.

Session Two: This session will educate individuals about local government processes, both formal and informal. It will help those interested in changing local land use policies understand the twists and turns of local government, what motivates and constrains it, how to mobilize and support the town's opinion leaders and citizens, and how to navigate the system to effect change.

Session Three: Conflict most often attends change. This session will teach community leaders basic skills to deal constructively with conflict over both basic values and perceived interests. It will prepare them to treat both personal and social conflict in the community setting. It will also include a final capstone game where the skills, ideas, and information learned in the previous sessions will be applied to a practical case.

After these pilot workshops, it is a goal to collaborate with different partners in each of the New England states to deliver the curriculum in varied settings.

GIS Inventory of Protected Lands Data

For several years EPA Region I has recognized that among the factors preventing sound land use planning in New England is the absence of high quality, standardized geographic data about which lands are protected, and which are available and appropriate for development. To address this need, in 2001 the NE/EFC sponsored a feasibility study of a New England-wide, GIS-based inventory of protected lands. Over 50 agencies and individuals involved in GIS management in New England were interviewed, and a comprehensive assessment of the status of protected lands data in New England was provided by the Boston firm, *Applied Geographics, Inc.* The conclusion reached was that while it is both feasible and highly desirable to develop the inventory, most of the possible benefits will not be realized until data standardization and enhancement occurs simultaneously in *each* New England state. In addition, what was determined to be most lacking was a good mechanism for data uptake, so that data sets will retain their currency over time.

In 2003, the NE/EFC took the next steps in this project, by beginning to create a web portal as a means of collecting data on parcel status; work continued with Applied Geographics, Inc. as the primary technical contractor. The portal will be operational for a small region spanning the Maine/New Hampshire border by late 2004. Subsequently, the NE/EFC will work with State agency staff to identify incentives that will elicit local data entry, and to determine initial and ongoing costs; to develop a work plan to secure these funds from a variety of sources, primarily federal; to

ensure implementation of incentive programs; and to assure that data uptake and authorization is functioning throughout the six-state “virtual state.”

Public Management and Finance Program

Most problems of local government – not just environmental – involve issues of public finance, or “how to pay.” To plan for the future well-being of rural communities, it is imperative that decision-makers and public managers use resources in a manner that most efficiently and effectively responds to identified community needs. It is also imperative that stakeholders and constituency groups be integrated into the planning and implementation processes, to promote “ownership” in shaping the future. In collaboration with several EFCs, and with the Region 2 EFC taking the lead, a proposal was submitted to USDA to fund continuation and expansion of the Region 2 EFC’s Public Management and Finance Program (PMFP).

In numerous communities in Region 2, the PMFP has brought technical assistance providers together to more efficiently deliver technical assistance to rural communities. It has also helped promote learning and application of integrated approaches to addressing environmental concerns of rural communities, and provided hands-on technical assistance to rural communities through development of teams of technical assistance providers. The teams are composed of representatives from nonprofit, academic, government, and private organizations that have established histories in providing technical assistance to rural communities.

In Maine, substantial gaps in coordination exist among providers of technical assistance to rural communities. If PMFP expansion is funded through the pending request to USDA, the program will be established on a pilot basis in three rural Maine communities, and opportunities for expansion of the program in Maine will be pursued. It is expected that strengths of the EFC Network will be invaluable in this collaborative effort, and that the experience of the Region 2 EFC and others will help the Maine PMFP develop more efficiently.

Presentations, Conferences & Meetings

- As part of the NE/EFC’s Collaborative Environmental Services initiative, in June 2003 the EFC delivered a day-long training workshop on “Collaborative planning and conflict management skills” for the Maine NEMO (Nonpoint Education for Municipal Officials) program in Hallowell, Maine.
- Initiated a public lecture series, entitled “Changing Maine, 1960-2010,” designed to formulate and give circulation to a new, basic understanding of Maine and its

place in the world today, and to guide civic life and dialogue in the coming decade. The focus of each lecture and the series is on policy and policymaking as they have exerted influence on events. Topics addressed by experts in the series include energy, the environment, land use and sprawl, forestry, agriculture, and fisheries, and 16 others. The lectures are broadcast by Maine Public Radio to a listening audience of approximately 15,000 persons in Maine, New Hampshire, and northern Massachusetts; and will be published in their entirety as a book by Tilbury House in June 2004. The published work may then serve as the basis for public forums and study groups, instructional materials for high school seniors, college students, and adults, etc. Text of the lectures is available on-line at <http://www.muskie.usm.maine.edu/changingmaine>

- NE/EFC staff participated in a smart growth policy forum at the Lincoln Institute for Land Policy. Discussed current status of smart growth efforts throughout New England and identified possible areas for future research and collaboration with the NE/EFC (October 2003).
- Moderated a 2-hour conference session on “Why businesses should be interested in smart growth”, specifically addressing issues of affordable housing, downtown revitalization, quality of life, and transportation/distribution systems (October 2003).
- Delivered a training presentation titled “Financing Sourcewater Protection” to a 100-person audience in Worcester, MA, at a conference organized by Clean Water Action (October 2003).
- Gave a presentation to a group of Cooperative Extension water educators from the six New England states, on water-related plans and possibilities at the NE/EFC (November 2003).
- Moderated a 2-hour session on Land Protection in Maine, for the Maine Chapter of the Appalachian Mountain Club. Speakers and the discussion focused on these questions: 1) Why is so much land in the north Maine woods being sold? 2) Is this a problem and why? 3) What efforts to protect this land are being made? Is this enough? What else could be done? (December 2003).